

**Title 22, California Code of Regulations, Section 51200.01, Established Place of Business**

(a) Every applicant or provider shall be required to demonstrate an established place of business appropriate and adequate for the services billed or claimed to the Medi-Cal program. "An established place of business" means a business address of the provider or applicant that meets all of the following criteria:

- (1) is open and conducting business at the time the application is submitted for participation in the Medi-Cal program;
- (2) has sufficient capital for start up, and sufficient income to sustain a financially sound business. This criterion shall be shown by financial records including, but not limited to, bank statements, loan documents, promissory notes, invoices, accounts receivable, business tax records, and contractual agreements;
- (3) is located in a building either owned by the applicant or provider, or the applicant or provider has obtained a signed lease agreement;
- (4) has adequate stock and staff to meet current and anticipated service requirements for its business;
- (5) operates in compliance with [Section 51000.30\(d\)](#);
- (6) has Worker's Compensation insurance as required by state law;
- (7) obtains and maintains Comprehensive Liability insurance coverage in an amount not less than \$100,000 per claim, with a minimum annual aggregate of not less than \$300,000, from an authorized insurer pursuant to Section 700 of the Insurance Code;
- (8) obtains and maintains, for any individual licensed or certified pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, the Osteopathic Initiative Act, or the Chiropractic Initiative Act, Professional Liability insurance coverage in an amount not less than \$100,000 per claim, with a minimum annual aggregate of not less than \$300,000, from an authorized insurer pursuant to Section 700 of the Insurance Code;
- (9) has the necessary equipment, office supplies and facilities available to carry out its business, including storage and retrieval of all documentation as required by [Section 51476](#); and,
- (10) has the necessary service agreements to process cash and credit card transactions;
- (11) has regular and permanently posted business hours;
- (12) is visibly identifiable as a medical/healthcare provider or business, with permanently attached signage that identifies the name of the provider or business.

(b) If the applicant or provider intends to provide or currently provides durable medical equipment as defined in [Section 51160](#), or is a medical device retailer as defined in [Section 51251](#), or is a pharmacy as defined in [Section 51106](#) and provides pharmaceutical services as defined in [Section 51107](#), all criteria in subsection (a) above must be met, and the applicant or provider must additionally meet the following criteria:

- (1) provides service to the general public on a walk-in basis during regular business hours (unless the explanation provided on application is acceptable to the Department);
- (2) has adequate inventory either in stock on the premises, or in a warehouse under the applicant's or provider's direct control, to meet current and anticipated sales volume;

(c) The applicant or provider must have an established place of business at the time of any inspection by the Department. Failure to show an established place of business warrants denial of an application or shall make a provider subject to temporary suspension from the Medi-Cal program, which shall include temporary deactivation of all provider numbers effective 15 days from the date of notice to the provider.